



Department of Justice

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Middle District of Louisiana

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MARKETER OF LOUISIANA FILM TAX CREDITS
CHARGED WITH WIRE FRAUD AND ASSET FORFEITURE

BATON ROUGE, LA – Acting United States Attorney Walt Green announced today the filing of a Bill of Information charging GREGORY MARTIN WALKER, 46, formerly of Baton Rouge, Louisiana with one count of wire fraud in violation of Title 18, United States Code, Section 1343.

According to the Bill of Information, WALKER was engaged in the business of buying and selling of Louisiana motion picture investor tax credits. WALKER owned and operated The Bishop, LLC, an entity which purported to own film tax credits for resale to others. WALKER represented to purchasers that he owned tax credits for various film productions, including Universal Soldier IV, El Gringo, Mama I Want to Sing, and Transit.

The State of Louisiana, Department of Economic Development, Office of Entertainment Industry Development (“LDED”) administered the Louisiana Motion Picture Incentive Act. In order to develop and promote film productions, the State of Louisiana offered tax credits for the production of movies within the State. Such tax credits can be used to pay the Louisiana income taxes of the film production companies, redeemed by the film production companies for a discounted price at the Louisiana Department of Revenue (“LDR”), or even sold to others who could use the tax credits to pay their Louisiana income tax liabilities. LDR was vested with the authority to disallow tax credits if the transferor of tax credits did not have rights to claim or use the tax credits at the time of their purported transfer.

Strategies for Investment, LLC (“SFI”) was a Baton Rouge business owned and operated by a local Certified Public Accountant (“CPA”). WALKER and The Bishop sold tax credits to SFI, which re-sold said credits to tax clients of the CPA. WALKER and The Bishop represented that they owned and controlled the tax credits which they sold to SFI.

From November 2011 through July 2012, WALKER marketed tax credits to the CPA who owned and operated SFI. From August 2011 through January 2013, WALKER also sold tax credits to other Louisiana taxpayers who sought tax credits to pay their Louisiana income tax liabilities.

Beginning in August, 2011, and continuing through in or about January, 2013, WALKER devised and executed a scheme to defraud purchasers of Louisiana film tax credits. WALKER falsely represented to purchasers that he owned certain tax credits, when in fact, he neither owned nor controlled such film tax credits. In order to carry out his scheme to defraud,

WALKER forged the signatures of various individuals on tax credit purchase agreements and used interstate wires to complete his scheme.

WALKER sold purported tax credits to SFI on approximately 11 occasions between January 3, 2012 and June 20, 2012. SFI paid WALKER and The Bishop approximately \$971,418 for the purchase of tax credits purporting to have a face value of \$1,456,926. WALKER used the funds obtained through his scheme for his personal enrichment.

As a result of his scheme to defraud, WALKER stands charged with one count of wire fraud. If convicted of a violation of Title 18, United States Code, Section 1343 carries a maximum term of 20 years imprisonment, a fine of up to \$250,000, and a term of 3 years supervised release. The Bill of Information also notifies WALKER that he is subject to the forfeiture of all property, real or personal, which constitutes, or is derived from proceeds traceable to his wire fraud including, but not limited to at least \$971,418, said amount being the proceeds obtained through the violation of Title 18, United States Code, Section 1343.

This matter was jointly investigated by the Federal Bureau of Investigation, the Louisiana Inspector General's Office, and the United States Grand Jury for the Middle District of Louisiana. The case is being prosecuted by Assistant United States Attorney Rene I. Salomon. Additional assistance was provided by the Louisiana Department of Economic Development.

Acting United States Attorney Green stated, "We will continue to safeguard all types economic programs that fall prey to fraudsters and ensure they are held accountable for their actions."

FBI Special Agent-in-Charge Michael Anderson stated, "This conviction should convey a clear message to the public that schemes to defraud that interfere with legitimate government incentives to stimulate economic growth in Louisiana will not be tolerated."

Louisiana Inspector General Stephen Street commented, "This sort of blatant fraud undermines the entire tax credit program and cannot be tolerated. We will continue working with the FBI and United States Attorney to make sure that those who engage in this sort of corruption face criminal consequences."

NOTE: A Bill of Information is a determination that probable cause exists to believe that offenses have been committed by a defendant. The defendant is presumed innocent until and unless proven guilty at trial.

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